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Office Memorandum • UNITED STATES GOVERNMENT

TO : Chief, Inspection Division

DATE: 15 May 1952

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FROM :

SUBJECT: Pseudonym Files in Finance Division, Security Inspection of

I. Authority:

Pursuant to instructions from the Chief, Inspection Division, a security inspection was made on 7 and 8 May 1952 of the pseudonym files in the Finance Division.

II. Mission:

The inspection included:

- a. Discussions with the Chief, Finance Division, and members of his staff regarding the existing procedures and practices for the handling and storage of pseudonym files.
- b. Examination of the pseudonym files, card indices, and storage facilities (safes) of all the branches and sections of Finance Division where such files are maintained.

III. Findings:

- a. Pseudonym files are handled by the Finance Division in conjunction with its disbursements to approximately contract and staff agents.

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- b. Chief, Finance Division, volunteered the opinion that the files are not kept in strict conformity with security standards, since in many cases the true name was shown in the same file and in some instances on the same paper bearing the pseudonym. The principle reason advanced for this, was the necessity of having proof that payment made through a bank to an agent actually had been made to the proper person. Mr.

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stated that from a working viewpoint, it would not be feasible to maintain the true names in separate files from the pseudonyms; that it would require the addition of 3 or 4 times the present personnel, increased storage facilities and working space.

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- c. expressed the belief that the operating offices should handle the payments to the agents and retain exclusive custody of the pseudonym files, thereby releasing the Finance Division of this function.

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- d. In practically every office inspected pseudonym files or card indices were found containing both the true name and the pseudonym. While these records did not reflect any specific statement connecting the two names, there was an unmistakable presumption that the two names referred to one and the same person.
- e. In the Registry Section of Finance Division there is a file containing printed forms reading in substance as follows: I do hereby declare that my name and legal signature is as follows --- (Signatures both typed and written) Below this there is a statement that the subject acknowledges that in his relations with the U.S. Government he will use the following signatures (pseudonym signature both signed and typed.) These forms are forwarded to the Registry Section by [redacted], OPC/OSO and are kept in a 3 way combination safe cabinet. Approximately every two weeks Registry also receives from OPC and OSO notices of additions and corrections showing both the pseudonym and the true name on the same paper. The notices are secured in the same type safe mentioned above.
- f. The Agent Contract Service Branch of Finance Division employs a satisfactory system. Pseudonym files are kept separately and in a different safe from files showing true names. In each pseudonym file there is a payroll number which corresponds with a number typed on a 3x5 card. This card shows only the true name of the agent and, as stated, is maintained in a different safe from the pseudonyms. Access to these files is permitted only to personnel of the office.
- g. The Branch does not adhere entirely to the above system. When payment is made to a specific bank in an account established by the agent in his true name, the receipt from the bank bearing the true name is received by the Branch and stapled face down to the Agent Duty Status Report, which certifies to the Branch that payment is due the agent. (agent's name in pseudonym). The receipt is attached in this manner to prove that the check was deposited in the correct account. (Account in true name.)

IV. Conclusions:

- a. In view of the fact that the various offices of Finance Division handling pseudonym files show the true name in the same file or on the same card indices as the pseudonym, there is a possibility that the cover of some agents may be compromised. However, in view of the limited access to these files, the probability of compromise up to this time is considered to be slight.

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- b. The practice of keeping true names and pseudonyms together should be discontinued.

V. Recommendations:

It is recommended that:

- a. The maintenance of pseudonym files in the Finance Division and the system of payments to agents be reviewed with a view toward adopting more secure procedures.

JWB:ds

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